

ORIGINAL

tenorio.Superseding Indictmt

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FILED
DISTRICT COURT OF GUAM

SEP 26 2007

JEANNE G. QUINATA
Clerk of Court

IN THE UNITED STATES DISTRICT COURT FOR THE TERRITORY OF GUAM

UNITED STATES OF AMERICA,
Plaintiff.

vs.

JUAN C. TENORIO and
CHARLENE F. TENORIO,
Defendants.

CRIMINAL CASE NO. 07-00078

SUPERSEDING INDICTMENT

BANKRUPTCY FRAUD
[18 U.S.C. §§152(1) and 2]

THE GRAND JURY CHARGES:

Introduction

At all times material to this Indictment:

1. A primary purpose of the bankruptcy system was to provide a means for fairly apportioning the property of a debtor who, for whatever reason, had become unable to pay his creditors in a timely fashion.

2. A bankruptcy case began with the filing of a "petition." Creditors were those persons or companies that had a claim or a right to payment from the debtor that arose at the time of or before the bankruptcy court issued its order for relief concerning the debtor.

1 3. Bankruptcy cases fell into different categories, called Chapters. A Chapter 7 case was
2 also known as liquidation. In a Chapter 7 case, a trustee was appointed to collect the debtor's
3 property, convert it to cash, and distribute the cash to creditors.

4 4. When a bankruptcy petition was filed, it created what was known as an estate. The
5 estate of a debtor meant all rights, title, share, or interests in property owned by the debtor at the
6 time a bankruptcy petition was filed. In a Chapter 7 case, the trustee controlled the property of
7 the estate.

8 5. In a Chapter 7 the debtor was also required to cooperate with the trustee as necessary
9 to enable the trustee to perform his duties. Such cooperation included a duty of good faith
10 throughout the bankruptcy action. In a Chapter 7 case, the debtor was required to truthfully and
11 fully account for his estate so that creditors could benefit either through liquidation of assets or
12 or restructuring of debt. The debtor was also required to disclose the existence of assets even if
13 their status in bankruptcy was uncertain. It was the Bankruptcy Court that made the final
14 determination as to whether property was an asset of the estate. The debtor could not preempt
15 the court's determination by failing to report or concealing an asset.

16 6. The principal benefit to a Chapter 7 debtor was the receipt of a Discharge which
17 prohibits unsecured creditors from taking further action against the debtor for debts incurred
18 before the bankruptcy petition was filed.

19 7. JUAN C. TENORIO was an engineer practicing on Guam and the CNMI and a
20 director and the principal shareholder of Juan C. Tenorio, & Associates, Inc.

21 8. CHARLENE F. TENORIO was the wife of JUAN C. TENORIO and a shareholder
22 and director of Juan C. Tenorio & Associates, Inc.

23 9. RITA TENORIO was the mother of JUAN C. TENORIO.

24 10. On or about October 25, 1983, defendant JUAN C. TENORIO incorporated Juan C.
25 Tenorio & Associates, Inc. on Guam whose business was providing engineering and architectural
26 services.

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1 11. On or about March 20, 2002, JUAN C. TENORIO and CHARLENE F. TENORIO
2 filed a petition under Chapter 7 of the Bankruptcy Code, Title 11, United States Code, Section
3 101 et seq., in the United States Bankruptcy Court in the District of Guam. The matter was
4 captioned In Re JUAN CRUZ TENORIO and CHARLENE FRANCES TENORIO, Case
5 Number 02-00096.

6 12. On or about March 22, 2002, the Bankruptcy Court appointed Robert J. Steffy, Sr. as
7 Trustee of the estate of JUAN C. TENORIO and CHARLENE F. TENORIO in the Chapter 7
8 bankruptcy proceeding, Case No. 02-00096.

9
10 **BANKRUPTCY FRAUD**

11 13. Paragraphs 1 - 12 of the Introduction to this Indictment are hereby realleged and
12 incorporated as if fully set forth herein.

13 14. From on or about March 20, 2002 to at least April 15, 2004 in the District of
14 Guam, JUAN C. TENORIO and CHARLENE F. TENORIO, aided and abetted each by the other,
15 did knowingly and fraudulently conceal from the trustee charged with the control and custody of
16 property and from the United States Trustee and from creditors of the debtor in a bankruptcy
17 proceeding under Title 11, United States Code, entitled In Re JUAN CRUZ TENORIO AND
18 CHARLENE FRANCES TENORIO, Case Number 02-00096, in the United States Bankruptcy
19 Court in the District of Guam, property belonging to the estate of the debtors, JUAN C.
20 TENORIO and FRANCES C. TENORIO, to-wit: (1) accounts receivable of approximately
21 \$74,817.05 from a contract by and between Juan C. Tenorio & Associates, Inc. and Hong Kong
22 Entertainment (Overseas) Investments Limited regarding architectural, engineering and
23 landscaping services provided by Juan C. Tenorio & Associates, Inc. for the Tinian Dynasty
24 Hotel and Casino, formerly known as Tinian Casino Palace Hotel; (2) interests in Knights of
25 Columbus insurance policies, to-wit:

<u>Policy No.</u>	<u>Insured</u>	<u>Owner</u>
H64940	Juan Tenorio	Juan Tenorio
P39817	Juan Tenorio	Juan Tenorio
J57033	Charlene Tenorio	Charlene Tenorio

1 and (3) interest in:

2 LOT NUMBER 209-R01-3, TRACT NUMBER 22197, ROTA, MP, containing
3 an area of approximately 2,000 square meters, under which the basic lot is shown
4 as Lot Number 209 R 01, located in Gaganin Hulo, Rota Municipality,
5 Commonwealth of the Northern Mariana Islands, on the Drawing/Cadastral Plat
6 Number 209 R 00, the original of which was registered with the Commonwealth
7 Recorder's Office under File Number 89-3204, on September 25, 1989.

8 All in violation of Title 18, United States Code, Sections 152(1) and 2.

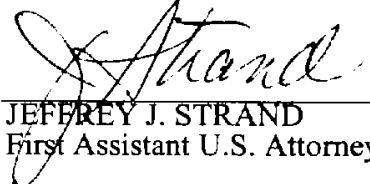
9 Dated this th26 day of September, 2007.

10 A TRUE BILL.

11 
12 Foreperson

13 LEONARDO M. RAPADAS
14 United States Attorney
15 Districts of Guam and NMI

16 By:

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18 JEFFREY J. STRAND
19 First Assistant U.S. Attorney
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